Government of Saskatchewan

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June Cattle Market Update

For the Week Ending July 4, 2014

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900
June 6-27/2014	Highs	$233.83	$241.00	$234.00	$223.00	$211.00	$188.25
June 6-27/2014	Average	$233.83	$238.61	$230.77	$219.43	$202.54	$183.30
Year/Year	Change	N/A	$91.30	$84.48	$79.78	$71.18	$61.22
June 7-28/2013	Average	N/A	$147.31	$146.29	$139.65	$131.36	$122.08
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**
June 6-27/2014	Highs	$216.75	$218.00	$217.33	$206.00	$190.00	$173.17
June 6-27/2014	Average	$212.96	$213.06	$213.28	$201.72	$184.29	$168.89
Year/Year	Change	$87.42	$84.21	$86.09	$78.14	$67.46	$59.21
June 7-28/2013	Average	$125.54	$128.85	$127.19	$123.58	$116.83	$109.68

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficicent data.

Canfax reported that a total of 16,903 head of cattle were sold in Saskatchewan over the last four weeks ending June 27, 2014, down from 18,718 head marketed over the same four weeks ending June 28, 2013. While cattle volumes were seasonally lower, cattle prices continued to move higher in June.

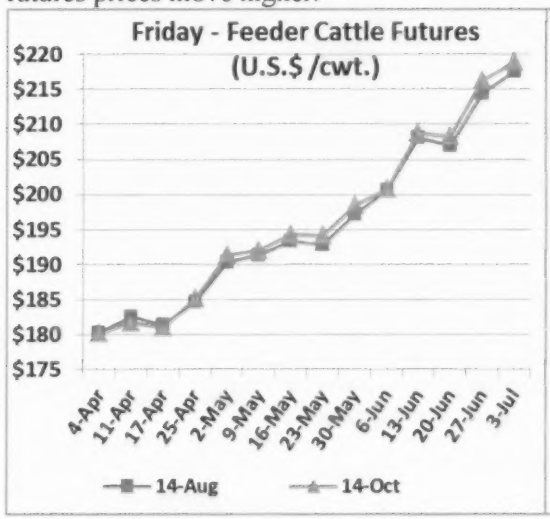
Saskatchewan feeder cattle prices continued higher from early through late June 2014, reaching new all-time high record prices. With lower cattle volumes some weight categories did not have enough sales to report pricing in some of the weeks in June. The 400-800 lb. feeder steer weight categories and all the feeder heifer weight categories established new record high prices in June.

Saskatchewan feeder cattle prices were noticeably higher over the four weeks ending June 27, 2014 compared to the same four weeks ending June 28, 2013. Feeder steer prices increased between $61 and $91 per cwt, year-over-year for June. Feeder heifer prices over the same period increased between $59 and $87 per cwt. The heavier weight categories increased the least while the lighter weight categories increased the greatest, for both feeder steer and feeder heifer prices.

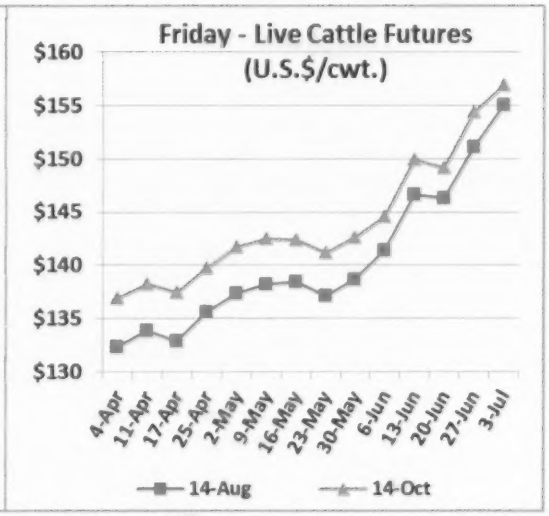
The Saskatchewan 750 lb. feeder steer basis (June 26) compared to the May 29, 2014 U.S. feeder cattle index at US$213.37 per cwt was calculated at -$16.52 per cwt (US$213.37/0.9378 - $211.00), a basis widening of $2.46 per cwt from -$14.06 per cwt on May 29, 2014.

Feeder cattle futures prices continued to explode higher in June reaching new all-time high record prices. The August to October 2014 contracts increased over US$17 per cwt over the last four weeks ending June 27, 2014. Prices continued higher during the first week of July breaking further record high prices. The August contract increased US$3.305 per cwt to settle Thursday at US$217.625 while the October contract increased US$2.58 per cwt to settle Thursday at US$218.85 per cwt. Record high live cattle future prices, lower corn prices, and continued tight cattle supplies were the main factors pushing feeder cattle future prices higher over the month.

Live cattle futures prices were also higher in June establishing new all-time high record prices. The August and October live cattle future contracts increased by about US$12 per cwt in June. Live cattle futures prices continued higher the first week of July with the August contract increasing a further US$3.88 per cwt to settle Thursday at $155.00 per cwt while the October contract increased US$2.55 per cwt to settle Thursday at US$156.90 per cwt. Record choice beef cutout values and continued reductions in beef production expected in the U.S. helped live cattle futures prices move higher.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures were lower in June. The Iowa cash price declined about 18 cents over the four weeks ending June 27 while the July and September corn futures declined over 22 cents and 15 cents correspondingly. Prices declined significantly the first week in July with cash corn prices declining almost 32 cents to close Thursday at US$3.96 per bushel. The July corn futures contract was down 26 cents to settle Thursday at US$4.17 per bushel while the September contract was down almost 33 cents to settle at $4.09 per bushel.

Fed and Non-fed Cattle

	July 4	June 27	May 30	Change In June
Cows (Alberta)				
D1,2 Live	112.99	110.38	108.30	+2.08
D3 Live	102.00	98.60	97.20	+1.40
Rail	207-212	206-211	206-211	+0.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta over the last four weeks ending June 27 continued higher reaching new all-time high record prices. Over the last four weeks D1,2 slaughter cows increased $2.08 per cwt to average $110.38 per cwt, while the price of D3 slaughter cows increased $1.40 per cwt to average $98.60 per cwt. Slaughter cow prices the first week of July continued higher, reaching new record high prices.

Fed cattle prices in Western Canada were higher over the four weeks ending June 27, 2014. The price of fed steers in Alberta was reported to average $155.64 per cwt for the week of June 27, up $4.69 per cwt from $150.95 per cwt from the week of May 30, 2014. This was a new all-time high record price for fed steers in Alberta.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. continued to set new record high prices and was reported at US$157.61 per cwt for the week of July 4, up US$3.29 per cwt from US$154.32 per cwt the previous week, and up 31.2 per cent from US$120.10 per cwt the same week a year ago. Fed steer prices over the four weeks ending June 27 increased by almost US$10 per cwt. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$249.44 per cwt, up US$5.29 per cwt from US$244.15 per cwt the previous week, and up 28.9 per cent from US$193.55 per cwt the same week a year ago. Dressed steer prices in the U.S. over the four weeks in June increased by over US$13 per cwt.

Choice beef cutout prices (600-900 lb.) averaged US$247.80 per cwt for the week ending July 4, a new all-time high record price, up US$3.41 per cwt from US$244.39 per cwt the previous week, and up 25.8 per cent from US$196.95 per cwt the same week a year ago. Beef cutout prices over the four weeks in June increased by over US$14 per cwt.

U.S. weekly beef production for the four weeks ending June 27, 2014 averaged 486.4 million lb., down 5.6 per cent from 515.3 million lb. over the same four week period in 2013.

On June 20, 2014, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for June 1, 2014.

June 1, 2013 and 2014, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2013	2014	Per cent of previous year
On feed May 1	10,760,000	10,648,000	99.0
Placed during May	2,055,000	1,912,000	93.0
Marketed during May	1,948,000	1,865,000	95.7
Other disappearance during May	100,000	101,000	101.0
On feed June 1	10,767,000	10,594,000	98.4

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in May 2014 was 1.912 million head, down 7.0 per cent from 2.055 million head in May 2013, but up 16.9 per cent from 1.636 million head in April 2014. The number of fed cattle marketed in May 2014 was 1.865 million head, down 4.3 per cent from 1.948 million head in May 2013, but up 4.9 per cent from 1.778 million head marketed in April 2014. The May cattle placements

were slightly higher than the average trade estimates (92.6) while the cattle marketed in May were at the average trade estimates (95.7). The cattle on feed for June 1, 2014 were estimated at 10.594 million head, 1.6 per cent below the June 2013 inventory numbers, and 0.5 per cent below the May 2014 numbers. The June 1 cattle on feed numbers were slightly below the average trade estimates (98.5). The cattle on feed report were overall close to the average trade estimates.

Friday Price Information

Product		This Week (July 4)	Week of: (June 27)	Week of: (May 30)
Canadian Dollar (closing rate US$)		.9384	.9378	.9223
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		215.48	213.37	191.43
Seven-day Weighted Average FC Index Wt. (lb.)		764	751	761
Live Fed 5-area Steer Price (US$ per cwt)		157.61	154.32	144.39
Feed Grains				
Barley	Lethbridge ($/tonne)	193.00	190.00	198.00
	($ per bu.)	4.20	4.14	4.31
Corn	Iowa State Average (CDN$/tonne)*	166.13	179.67	190.37
	(US$ per bu.)	3.96	4.28	4.46
	Omaha, NE (CDN$/tonne)*	169.91	183.45	208.73
	(US$ per bu.)	4.05	4.37	4.89
Futures				
	July Corn (US$ per bu.)	4.17	4.43	4.65¾
	Sept. Corn (US$ per bu.)	4.09½	4.42¼	4.58
	August Live Cattle (US$ per cwt)	155.000	151.120	138.600
	October Live Cattle (US$ per cwt)	156.900	154.350	142.600
	August Feeder Cattle (US$ per cwt)	217.625	214.320	197.050
	October Feeder Cattle (US$ per cwt)	218.850	216.270	198.425

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate (This week it is Thursday's CDN$)

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